

April 2016



Office of the City Auditor

City of Kansas City, Missouri

# CITY OF FOUNTAINS HEART OF THE NATION

#### Office of the City Auditor

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April 19, 2016

Honorable Mayor and Members of the City Council:

This audit of employee perceptions of the city's ethical environment focuses on the results of an employee ethics survey we conducted in February 2016. We surveyed all 4,410 active city employees using a web-based or paper survey and received 2,005 responses.

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Employee perceptions of the city's ethical environment have improved since 2008. Employees' responses are statistically more positive for eight of the sixteen questions asked in both the 2008 and 2016 surveys. A majority of current employees agree that Kansas City government is an ethical place to work. In addition, significantly more employees, although not yet a majority, also agree that top city management and elected officials set good examples of ethical conduct.

Most employees report being familiar with the city's code of ethics, knowing how to report unethical behavior, and being expected to report unethical behavior. Employees continue to be positive about the ethical example set by their supervisors and department management. Employee knowledge about how to handle ethical concerns, however, is mixed.

Although improving significantly, less than half of employees agree they can report unethical behavior without fear of retaliation and only about one third of employees believe unethical behavior will probably be detected and punished. Ten to fifteen percent of employees also reported being asked by an elected official or department management to do something that contradicted the city's rules and procedures while performing their job duties during the past twelve months.

Supervisors and managers tended to answer questions slightly more positively than non-supervisors. Employees who have worked for the city less than one year are more likely to rate the ethical environment and the ethical tone at the top more positively. Gender generally did not affect responses.

We would like to thank the city employees who completed the survey. We also appreciate the time and effort city staff took to arrange meetings for us at worksite locations so we could collect responses from employees who do not have access to a work computer. We also want to thank the mayor, city manager, chair of the Municipal Officials and Officers Ethics Commission, fire chief, and the presidents of Locals 3808 and 42 for their support. The audit team for this project was Joan Pu and Nancy Hunt.

**Douglas Jones** 

City Auditor

## **Listening to the Workforce 2016 Employee Ethics Survey**

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#### **Introduction**

#### **Objectives**

We conducted this audit of employee perceptions of the city's ethical environment under the authority of Article II, Section 216 of the Charter of Kansas City, Missouri, which establishes the Office of the City Auditor and outlines the city auditor's primary duties.

A performance audit provides findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Performance audits provide objective analysis to assist management and those charged with governance and oversight in using the information to improve program performance and operations, reduce costs, facilitate decision making, and contribute to public accountability.<sup>1</sup>

This report is designed to answer the following question:

• How do city employees perceive the city's ethical environment?

#### **Scope and Methodology**

Our review focuses on the results of an employee survey we conducted in February 2016. We surveyed all 4,410 active city employees using a web-based or paper survey and received 2,005 responses, a response rate of 46 percent. We also compared the survey results with those of our 2008 employee survey and identified statistically significant changes. (See Appendix A for complete survey results and comparisons with our 2008 survey results and Appendix B for our methodology.)

We conducted this performance audit in accordance with generally accepted government auditing standards with the exception of reporting the views of management concerning the audit because we do not make any recommendations. We do not believe the absence of a response affects the audit results.

<sup>&</sup>lt;sup>1</sup> Comptroller General of the United States, *Government Auditing Standards* (Washington, DC: U.S. Government Printing Office, 2011), p. 17.

*Listening to the Workforce – 2016 Employee Ethics Survey* 

Government auditing standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. No information was omitted from this report because it was deemed privileged or confidential.

#### **Background**

Government is most effective when elected and appointed officials and employees follow ethical principles and act in the best interest of the people they serve. An ethical work environment helps retain quality employees, increase productivity, reduce risks associated with misconduct, and sustain public trust and confidence.

The City Auditor's Office conducted an employee survey in 2008 that included questions related to the city's ethical environment.<sup>2</sup> In 2011, we conducted an audit of the city's efforts to encourage ethical conduct.<sup>3</sup> Since then, the city has revised its code of ethics, provided ethics training, and expanded the authority of the Municipal Officials and Officers Ethics Commission, but has not surveyed employees to gauge the city's current ethical environment and identify areas for ethical improvement.

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<sup>&</sup>lt;sup>2</sup> Listening to the Workforce – 2008 Employee Survey, Office of the City Auditor, Kansas City, Missouri, April 2009.

<sup>&</sup>lt;sup>3</sup> City's Efforts to Encourage Ethical Conduct, Office of the City Auditor, Kansas City, Missouri, February 2011.

#### **Survey Results**

#### **Employee Perceptions of the City's Ethical Environment Improved**

Employees' perceptions of the city's ethical environment have improved significantly in many areas since 2008. Most survey respondents report being familiar with the city's code of ethics, knowing how to report unethical behavior, and knowing they are expected to report unethical behavior. Their knowledge about how to handle ethical concerns, however, is mixed. Significantly more respondents have a positive opinion of the ethical tone set by their department and top city management than they did in 2008. Elected officials were rated significantly more positively than they were in the 2008 survey, but the numbers are still low. A majority of survey respondents also agreed that overall, Kansas City government and their departments are ethical places to work.

Employees reporting they are familiar with the city's code of ethics are more likely to report knowing how to report unethical behavior. Those who agreed that they could report unethical behavior without fear of retaliation are more likely to agree that unethical behavior would probably be detected and punished and that Kansas City government and their departments are ethical places to work. They also rated the ethical tone at the top more positively.

#### **Employees Familiar with Ethics Code and Reporting Expectations**

Most survey respondents reported they were familiar with the city's code of ethics and know they are expected to report the questionable ethical behavior of others. Fewer than half of the respondents, however, believed they could report unethical behavior without fear of retaliation. About a third of respondents agreed that someone would probably be detected or punished if participating in unethical behavior, while about another third disagreed. Survey results of knowing how to handle ethical concerns are mixed.

Most respondents were familiar with the city's code of ethics and reporting expectations. About three fourths (76%) of the survey respondents reported they were familiar with the city's code of ethics. They also agreed they were expected to report the questionable ethical behavior of others (73%), a significant increase from the 2008 survey.

Respondents also reported knowing how to report unethical behavior (74%). (See Exhibit 1.)

Exhibit 1. Employee Familiarity with the Code of Ethics and Reporting Unethical Behavior

		2016			2008		
Question	Strongly		Strongly	Strongly		Strongly	
Question	Agree/		Disagree/	Agree/		Disagree/	
	Agree	Neutral	Disagree	Agree	Neutral	Disagree	
Q1. I am familiar with the city's code of	76%	16%	8%	80%	13%	7%	
ethics.	7076	10 /0	0 /0	00 /0	13/0	7 /0	
Q2. I know how I can report unethical	74%	13%	12%	74%	13%	13%	
behavior.	7470	1370	12/0	7470	1370	1376	
Q3. I am expected to report the	73%	17%	10%	66%	22%	12%	
questionable ethical behavior of others.	1370	17 /0	10 /6	00 /0	ZZ /0	12/0	

The respondents' familiarity with the city's code of ethics was significantly related to how they answered other survey questions. Those who reported they are familiar with the code were also likely to know how to report unethical behavior and rate the ethical environment of their departments and the city more positively. Survey respondents' familiarity with the code of ethics, however, had no correlation with their years of employment with the city.

Employee knowledge about how to handle ethical concerns was mixed. About two thirds of respondents (67%) reported knowing the city has an ethics hotline, but fewer (58%) reported knowing how to find the ethics hotline phone number. Even fewer (38%) reported knowing how to request an ethics advisory opinion from the city's ethics commission. (See Exhibit 2.) Those who reported knowing how to find the phone number of the ethics hotline were more likely to report knowing how to request an ethics advisory opinion from the city's ethics commission.

Exhibit 2. Employee Knowledge of How to Handle Ethical Concerns<sup>4</sup>

Question	2016		
Question	Yes	No	
Q19. I know the city has an ethics hotline.	67%	33%	
Q20. I know how to find the phone number of the ethics hotline.	58%	42%	
Q21. I know how to request an ethics advisory opinion from the city's ethics commission.	38%	62%	

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<sup>&</sup>lt;sup>4</sup> The 2008 employee survey did not ask these questions.

Perceptions related to retaliation and the detection and punishment of unethical behavior are improving. About half (49%) of respondents believed they could report unethical behavior without fear of retaliation, while only slightly more than a third of respondents agreed (36%) or disagreed (35%) that if someone participated in unethical behavior, it would probably be detected and punished. (See Exhibit 3.) The percentages of employees agreeing with both questions increased significantly in 2016.

Exhibit 3. Employee Perceptions of Retaliation, and Detection and Punishment

		2016			2008		
Question	Strongly Agree/		Strongly Disagree/	Strongly Agree/		Strongly Disagree/	
	Agree	Neutral	Disagree	Agree	Neutral	Disagree	
Q4. I can report unethical behavior without fear of retaliation.	49%	20%	31%	41%	21%	38%	
Q5. If someone in the city participated in unethical behavior, it would probably be detected and punished.	36%	29%	35%	30%	32%	39%	

Reporting unethical behavior without fear of retaliation was strongly correlated with the detection and punishment of unethical behavior. Respondents who believed someone engaging in unethical behavior would probably be detected and punished were also very likely to not fear retaliation for reporting unethical behavior.

#### **Perception of Ethical Tone at the Top Is Improving**

City employees' perception of the ethical tone at the top was more positive than in 2008. Significantly more survey respondents agreed top city management and the mayor and city council set a good example of ethical conduct, although the numbers are still relatively low.

Employees' perceptions are positive about the examples set by management. Two-thirds of survey respondents (67%) agreed their immediate supervisor sets a good example of ethical conduct. A majority of respondents (58%) agreed that their departments' management sets a good example of ethical conduct. Over 70 percent agreed their department management uses public resources (city supplies, staff time, and equipment) only for city purposes and not for personal or political uses. (See Exhibit 4.)

Exhibit 4. Employee Perceptions of Immediate Supervisors and Department Management

		2016		2008		
Question	Strongly		Strongly	Strongly		Strongly
2300.0	Agree/		Disagree/	Agree/		Disagree/
	Agree	Neutral	Disagree	Agree	Neutral	Disagree
Q11. My immediate supervisor sets a good example of ethical conduct.	67%	17%	16%	64%	16%	20%
Q12. My department management sets a good example of ethical conduct. <sup>5</sup>	58%	21%	22%	54%	19%	27%
Q8. My department management uses public resources (city supplies, staff time, and equipment) only for city purposes and not for personal or political uses.	71%	17%	12%	68%	17%	14%

About half (49%) of respondents agreed that top city management sets a good example of ethical conduct, a significant increase of 19 percentage points, compared to the 2008 survey. Three fourths of survey respondents (75%) agreed that top city management insists that employees follow city policies and laws. Although only 45 percent of respondents agreed that top city management treats all members of the public the same, regardless of personal or political connections, the percentage was significantly higher than it was in 2008. (See Exhibit 5.)

Exhibit 5. Employee Perceptions of Top City Management

		2016			2008	
Question	Strongly Agree/ Agree	Neutral	Strongly Disagree/ Disagree	Strongly Agree/ Agree	Neutral	Strongly Disagree/ Disagree
Q13. Top city management sets a good example of ethical conduct. 6	49%	31%	20%	30%	37%	33%
Q9. Top city management insists that employees follow city policies and laws.	75%	15%	10%	72%	17%	11%
Q10. Top city management treats all members of the public the same, regardless of personal or political connections.	45%	26%	29%	32%	32%	35%

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<sup>&</sup>lt;sup>5</sup> The survey defined department management as your department's director, deputy directors, managers, and supervisors.

<sup>&</sup>lt;sup>6</sup> The survey defined top city management as the city manager, assistant city managers, department directors, and deputy directors.

The ethical tone at the top is significantly related to many other survey responses. Those who agreed that department management or top city management sets a good example were more likely to agree they can report unethical behavior without fear of retaliation and that someone would be detected or punished if participating in unethical behavior; they also tended to rate the ethical environment of their department and the city more positively.

**Perceptions about elected officials improved significantly, but are still low.** Survey respondents rated elected officials significantly higher (41%) than they did in the 2008 for setting a good example of ethical conduct. Although the percentage of respondents who agreed that elected officials make decisions based on what is best for the entire community is low (37%), it increased significantly from 2008. (See Exhibit 6.)

Exhibit 6. Employee Perceptions of Elected Officials

		2016			2008		
Question	Strongly Agree/ Agree	Neutral	Strongly Disagree/ Disagree	Strongly Agree/ Agree	Neutral	Strongly Disagree/ Disagree	
Q15. The Mayor and City Council set a good example of ethical conduct.	41%	36%	23%	18%	29%	53%	
Q17. I believe the Mayor and City Council make decisions based on what is best for the entire community.	37%	31%	32%	26%	27%	47%	

Most survey respondents (67%) disagreed that their department management or elected officials (73%) asked them to do something that contradicted the city's rules and procedures while performing their job duties. (See Exhibit 7.) In the last twelve months, however, 279 respondents agreed that they were asked to do something contradicting the city's rules and procedures by their department management and 158 reported they were asked by an elected official to do something that contradicted city rules and procedures.

Exhibit 7. Employee Perceptions of Inappropriate Requests<sup>7</sup>

	2016				
Question			Strongly Disagree/		
	Agree/ Agree	Neutral	Disagree/ Disagree		
Q14. During the past twelve months, my department	, igi 00	14001101	Dioagroo		
management asked me to do something that contradicted the city's rules and procedures while I was performing my job duties.	15%	18%	67%		
Q18. During the past twelve months, an elected official asked me to do something that contradicted the city's rules and procedures while I was performing my job duties.	10%	17%	73%		

#### Organization-Wide Perception of Ethical Environment Is Positive

Slightly more than half (51%) of survey respondents agreed that overall, Kansas City government is an ethical place to work, compared to only one third (33%) of respondents in 2008. More than half of respondents (56%) also agreed that overall, their department is an ethical place to work. Although a significant decrease from the 2008 result, most respondents (87%) reported that they were expected to treat everyone who comes to the city the same, regardless of personal or political connections. (See Exhibit 8.)

Exhibit 8. Employee Perceptions of the Overall Ethics of Department and City

		2016			2008	
Question	Strongly Agree/ Agree	Neutral	Strongly Disagree/ Disagree	Strongly Agree/ Agree	Neutral	Strongly Disagree/ Disagree
Q16. Overall, Kansas City government is an ethical place to work.	51%	32%	18%	33%	44%	22%
Q7. Overall, my department is an ethical place to work.	56%	22%	22%	55%	25%	20%
Q6. I am expected to treat everyone who comes to the city the same, regardless of personal or political connections.	87%	7%	6%	91%	5%	5%

A positive perception of the ethical environment strongly correlated to the positive perceptions of the ethical behavior of the top management and elected officials. Those who reported their department or the city is an ethical place to work also tended to believe they can report unethical behavior without the fear of retaliation.

<sup>&</sup>lt;sup>7</sup> The 2008 employee survey did not ask these questions.

## Appendix A

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2016 Survey Results with Comparison to 2008 Employee Survey Results

 ${\it Listening to the Workforce-2016 Employee Ethics Survey}$ 

#### 2016 Ethics Survey Results and Comparison with 2008 Employee Survey Results

N is the number of responses excluding not applicable, don't knows, and blanks. A shaded cell indicates a statistically significant difference between the 2016 and 2008 results. 2008 survey results have a 95 percent confidence level with a margin of error of up to +/- 5.4 percent.

	2016				2008				
Question	Strongly Agree/ Agree	Neutral	Strongly Disagree/ Disagree	N	Strongly Agree/ Agree	Neutral	Strongly Disagree/ Disagree	N	
Q1. I am familiar with the city's code of ethics.	76%	16%	8%	1,930	80%	13%	7%	292	
Q2. I know how I can report unethical behavior.	74%	13%	12%	1,939	74%	13%	13%	295	
Q3. I am expected to report the questionable ethical behavior of others.	73%	17%	10%	1,929	66%	22%	12%	293	
Q4. I can report unethical behavior without fear of retaliation.	49%	20%	31%	1,937	41%	21%	38%	289	
Q5. If someone in the city participated in unethical behavior, it would probably be detected and punished.	36%	29%	35%	1,908	30%	32%	39%	288	
Q6. I am expected to treat everyone who comes to the city the same, regardless of personal or political connections.	87%	7%	6%	1,969	91%	5%	5%	296	
Q7. Overall, my department is an ethical place to work.	56%	22%	22%	1,963	55%	25%	20%	293	
Q8. My department management uses public resources (city supplies, staff time, and equipment) only for city purposes and not for personal or political uses.	71%	17%	12%	1,801	68%	17%	14%	276	
Q9. Top city management insists that employees follow city policies and laws.	75%	15%	10%	1,865	72%	17%	11%	285	
Q10. Top city management treats all members of the public the same, regardless of personal or political connections.	45%	26%	29%	1,743	32%	32%	35%	265	
Q11. My immediate supervisor sets a good example of ethical conduct.	67%	17%	16%	1,917	64%	16%	20%	292	
Q12. My department management sets a good example of ethical conduct.	58%	21%	22%	1,894	54%	19%	27%	286	
Q13. Top city management sets a good example of ethical conduct.	49%	31%	20%	1,731	30%	37%	33%	274	
Q14. During the past twelve months, my department management asked me to do something that contradicted the city's rules and procedures while I was performing my job duties.	15%	18%	67%	1,819	Not asked in 2008.				

Question		20	016			20	08		
	Strongly Agree/ Agree	Neutral	Strongly Disagree/ Disagree	N	Strongly Agree/ Agree	Neutral	Strongly Disagree/ Disagree	N	
Q15. The Mayor and City Council set a good example of ethical conduct.	41%	36%	23%	1,690	18%	29%	53%	273	
Q16. Overall, Kansas City government is an ethical place to work.	51%	32%	18%	1,844	33%	44%	22%	289	
Q17. I believe the Mayor and City Council make decisions based on what is best for the entire community.	37%	31%	32%	1,809	26%	27%	47%	287	
Q18. During the past twelve months, an elected official asked me to do something that contradicted the city's rules and procedures while I was performing my job duties.	10%	17%	73%	1,642	Not asked in 2008.			i.	
Question	2016								
	Yes	res No		N					
Q19. I know the city has an ethics hotline.	67%	3	3%	1,924					
Q20. I know how to find the phone number of the ethics hotline.	58%	42%		1,927	Not asked in 2008.			3.	
Q21. I know how to request an ethics advisory opinion from the city's ethics commission.	38%	62	62% 1,926						
Demographics			I	2016	2008	<del>_</del>			
Q22. How many total years have you	Under 1 year			10%	2%	_			
been employed by the City of Kansas	1-5 years			19%	22%				
City?	6-10 years			18%	21%				
	11-15 years			15%	16%				
	16-20 years			16%	14%				
	More than 20 years			22%	24%				
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# Appendix B Survey Methodology

 ${\it Listening to the Workforce-2016 Employee Ethics Survey}$ 

Appendices

#### Methodology

We developed the 2016 ethics survey questions based on our 2008 employee survey and our interviews with city management, the chair of the city's Municipal Officials and Officers Ethics Commission, and Law Department staff. We surveyed all 4,410 active city employees and received 2,005 responses, resulting in a response rate of 46 percent. We received responses from all city departments.<sup>8</sup>

We used several different methods to collect survey responses.

• Electronic survey response collection. We used a web-based survey to collect responses electronically. We obtained the current active city employees' names from PeopleSoft and their email addresses from General Services' IT division. On February 1, 2016, we sent 3,311 active city employees who had a city email address an email with a link to the web-based survey. We sent a follow-up email on February 8.

Due to security restrictions for the Fire Department's website, we worked with the department's IT staff to create ways for Fire employees to access the web-based survey.

City Communications posted a link for us to the web-based survey on the city's intranet. We received 1,277 electronic responses.

• Paper survey response collection. For city employees who did not have access to a computer at their work place, we conducted meetings at worksite locations and asked employees to complete paper surveys. We held 43 meetings between February 2 and February 18 in the Aviation, Convention and Entertainment Facilities, General Services, Parks and Recreation, Public Works, and Water Services departments and collected 728 survey responses.

We compared the survey results with those of our 2008 employee survey and identified statistically significant changes. The 2008 survey results have a 95 percent confidence level and a margin of error of up to +/- 5.4 percent. There is no sampling error for the 2016 survey results because we surveyed all, rather than a sample of, employees.

<sup>9</sup> These city employees did not include firefighters and EMS personnel whose email addresses are in a different domain.

<sup>&</sup>lt;sup>8</sup> We did not survey employees in the Police Department because it is a state agency.